



OCT 8 2003

The Honorable Frank H. Murkowski  
Governor of Alaska  
Post Office Box 110001  
Juneau, Alaska 99811-0001

Dear Governor Murkowski:

This is to respond to the letter of August 20, 2003, in which Alaska submitted a revised modification request and two supporting waiver requests, to restructure and streamline its delivery of workforce services under the Workforce Investment Act (WIA). We support Alaska's efforts to streamline its governance structure and agree that it will result in better services for Alaska's citizens as well as provide improved efficiency and greater accountability. We are pleased that Alaska is using the modification process and waiver process to keep its strategic plan a viable document that responds to the changing needs of the Alaska workforce development system.

This letter provides the Employment and Training Administration's (ETA) formal response to Alaska's state plan modification request, including the two waivers requested in the state's modification submission.

ETA has reviewed Alaska's Unified Strategic Five-Year Plan, as modified, in accordance with title I of the Workforce Investment Act, the Wagner-Peyser Act, the corresponding regulations, and the planning guidance, and no outstanding issues were identified. Therefore, pursuant to 20 CFR 661.230, this letter constitutes a written determination under WIA section 112(c) and (d) (29 USC 2822(c) and (d)) that the Plan, as modified, is consistent with the requirements of WIA and the Wagner-Peyser Act, and meets the requirements of WIA section 501 (20 USC 9271) which pertains to State Unified Plans.

However, the Rehabilitation Services Administration (RSA), after its review of the modification request, expressed concern that the proposed changes in Alaska's governance structure may negatively impact the Alaska Vocational Rehabilitation (VR) program's ability to play a meaningful role in the governance of the state's workforce investment system. RSA reports that the director of the designated state unit for the Alaska Division of Vocational Rehabilitation is not a member of the state board, even though the director, rather than the commissioner, has represented the VR program in the past. In light of this, RSA feels that the proposed changes to the statewide governance structure may jeopardize the considerable progress the state has made in serving people with disabilities.



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We are requesting that the state address RSA's concern by clarifying how the VR program will have a meaningful voice in the governance of the workforce investment system. While responding to this governance issue is not a condition for approval of the modification request, we believe Alaska's serious consideration of it will lead to the development of a more effective workforce investment system that is responsive to the needs of all of Alaska's citizens. From a national perspective, we recognize that Alaska has always been on the cutting edge with regard to innovative approaches to addressing the employment and training needs of people with disabilities.

In its plan modification submission of August 20, 2003, Alaska submitted two requests for waivers. Alaska is requesting waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA), in accordance with the Secretary's authority to waive certain requirements of WIA title I, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by WIA section 189(i)(4)(A), and in the implementing regulations at 20 CFR 661.420. We are pleased to be able to respond positively to this request. The following is the disposition of the state's waiver submission:

Waiver 1: To permit the state to apply 20 CFR 661.300(f) to a statewide regional planning area.

Alaska is requesting a waiver to permit the state to apply 20 CFR 661.300(f) to the statewide regional planning area described in its state plan modification. This provision allows states that operate as a single local workforce investment area to use the state workforce investment board to carry out the requirements of the local workforce investment board. The state is seeking to use its state board to carry out the roles and responsibilities of the local boards in the designated region encompassing the state. In support of its request, the state indicates that a waiver will enable the state to implement a governance structure that is responsive to the unique characteristics of the Alaskan labor market. The state further indicates that a waiver will enable it to accomplish its goal of streamlining administration of services, eliminating duplication, and increasing efficiency in its workforce investment system, leading to improved services to Alaskans.

The waiver is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.420(e). In considering the state's request in light of the unique characteristics of the Alaska labor market, we have interpreted the provision at 20 CFR 661.300(f), which allows states that operate as a single local workforce investment

area to use the state board to carry out the requirements of the local board, as applying to designated regions. Accordingly, we are granting a waiver to permit the state to apply 20 CFR 661.300(f) to the designated statewide region described in its state plan modification. Under the waiver, the Governor may designate the state board to carry out the roles and responsibilities of the local boards in the designated region encompassing the state, in the same manner as permitted in single service delivery area states.

**Waiver 2:** Waive the requirements relating to local area performance at WIA section 136(c) to permit statewide reporting of performance data.

Alaska is requesting a waiver of requirements relating to local area performance at WIA section 136(c) to permit the state, in functioning as a designated statewide region, to report statewide data and meet applicable state performance requirements without providing data for each local area. The state indicates that this will enable the state board to monitor progress throughout the state and take appropriate corrective action promptly, leading to improved statewide performance.

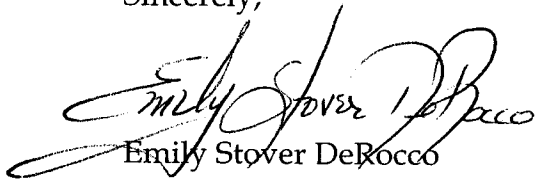
The waiver is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, we are granting a waiver of WIA section 136(c), which defines the local area performance measure indicators and the methodology for local areas to negotiate and reach agreement on the local area performance based on the state adjusted levels, as well as 20 CFR 666.300 and 666.310. The waiver of local performance measure indicators, and negotiation and agreement on annual levels of local performance, applies to Alaska's two local areas, Anchorage/Matanuska-Susitna and balance of state, which have been reorganized into a designated region. The waiver allows the state, in its annual report submission to the Secretary as required by WIA section 136(d), to report statewide data without providing data for each local area. Under this waiver, the state will continue to meet applicable state performance requirements at 136(b).

The granted waivers are incorporated by reference into the state's WIA Grant Agreement, as provided under paragraph 3 of the executed Agreement. The waivers and other revisions to Alaska's Unified Strategic Five-Year Plan will be incorporated into National and Regional Office copies of the Plan. A copy of this letter should be filed with the state's WIA Grant Agreement and approved Plan, as appropriate. The granted waivers are effective July 1, 2003, through June 30, 2004 (the end of currently existing WIA authority).

Again, we commend you for using the modification and waiver processes to make changes in your governance structure. We agree that it should reduce administrative costs, provide for an increased focus on performance, and strengthen the commitment of the local employer community to the workforce investment system. I will be excited to hear about your progress under this new streamlined governance structure.

We hope to hear from you soon about the issues raised by RSA, and we look forward to continuing to work with you and your staff as Alaska implements its Strategic Five-Year Plan for Program Year 2003. If I can be of assistance, please feel free to call me at (202) 693-2700.

Sincerely,

A handwritten signature in cursive script, reading "Emily Stover DeRocco". The signature is written in dark ink and is positioned above the printed name.

Emily Stover DeRocco

# STATE OF ALASKA

Frank H. Murkowski, Governor

1016 W. 6th Ave., Suite 105  
Anchorage, Alaska 99501  
PHONE: (907) 269-7485  
FAX: (907) 269-7489

## Department of Labor and Workforce Development

*Alaska Workforce Investment Board  
Division of Business Partnerships*

*Sent via regular mail*

August 15, 2003

Acting Federal Coordinator Dolores Beran-Hall  
US Department of Labor  
Employment Training Administration  
200 Constitution Avenue NW  
Washington DC 20210

2003 AUG 21 PM 5:18

Ms. Beran-Hall:

I am pleased to submit our amended Alaska State Unified Plan Modification. Thanks to the valuable public comment and the efforts of staff from the Employment and Training Administration, Alaska is submitting a plan that provides for better services, more accountability and improved efficiencies.

When Governor Murkowski assumed office he identified workforce development as an area in which he wanted to see improvement. Alaska has focused the energy of this department on the goal of creating good jobs for qualified Alaskans. This modification is the first step in achieving that goal.

Attached is the Alaska State Unified Plan Modification with amendments in accordance with the Workforce Investment Act Regulations: 20 C.F.R. 661.230(b)2 and attachments. Your approval of this plan modification is appreciated. If you should have questions I can be reached at (907)269-7490.

Sincerely,



Katherine Farnham, Executive Director  
Alaska Workforce Investment Board  
Division of Business Partnerships

Enclosure:

cc: Armando Quiroz, Regional Administrator, US Department of Labor Employment and Training Administration Region VI  
Greg O'Claray, Commissioner, Alaska Department of Labor and Workforce Development  
Alice Galvin, PhD, Chair, Alaska State Workforce Investment Board



Sent via email

August 20, 2003

Acting Federal Coordinator Dolores Beran-Hall  
US Department of Labor  
Employment Training Administration  
200 Constitution Avenue NW  
Washington DC 20210

Ms. Beran-Hall:

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Sincerely,

Katherine Farnham, Executive Director  
Alaska Workforce Investment Board  
Division of Business Partnerships

Enclosure:

cc: Armando Quiroz, Regional Administrator, US Department of Labor Employment and Training Administration Region VI  
Greg O'Claray, Commissioner, Alaska Department of Labor and Workforce Development  
Alice Galvin, PhD, Chair, Alaska State Workforce Investment Board

# Alaska Unified Plan Modification 1



For State Unified Plans  
Submitted under Section 501 of the  
Workforce Investment Act of 1998  
For the period of June 2000 to June 2005

*In Accordance with the  
Workforce Investment Act Regulations:  
20 C.F.R. 661.230 (b) 2*



Final  
Amended August 15, 2003  
April 18, 2003  
Anchorage, Alaska

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## **Section N, Page 210: Waiver and Work-Flex Requests**

### *Modification:*

Since developing the Unified Plan, Alaska has submitted three requests for waivers. These waivers have focused on customer needs as they relate to performance. First the youth ITA waiver, in rural Alaska young people are independent at a much earlier age. They can benefit from vocational training while many other students are trying to remain in school. Alaska also has a young urban population with ever growing responsibilities. More and more young people are anxious to earn good wages to support or assist their families. This waiver will provide them the opportunity to train in high wage, high demand jobs.

The second waiver is our request to serve seasonal workers. Several of Alaska's major economic industries are seasonal in nature, such as tourism, fishing and rural construction. Unfortunately because of the retention expectation, workers in these industries are discouraged from assistance by WIA because of the negative impact on the retention performance measures. Our waiver proposes a separate performance measure for those working in seasonal industries.

Finally, Alaska is seeking a waiver to transfer more than 30% of dislocated worker funds to the adult program. This waiver will encourage economic growth and align limited workforce development resources with the current demands of the state. Alaska is likely to experience slow steady growth over the next several years. If additional adult funding is not likely, then the flexibility to transfer funds assures that a state will have more options to address workforce and economic development concerns.

In addition to the three waiver requests referenced above, Alaska, with the submission of this modification, is formally requesting a waiver to apply 20 CFR 661.300(f) (which permits a state board to carry out the roles of a local board in a single local area state) to a statewide regional planning area. With the waiver, the Governor may designate the state board to carry out any of the roles and responsibilities that would otherwise be carried out by local boards. Approval of this waiver will enable the Governor to establish a governance structure that is responsive to the unique requirements of Alaska. Further, the Governor can streamline the administration of services, increase efficiency, and avoid duplication across the workforce investment system.

Alaska also formally requests a waiver of the requirements relating to local area performance in WIA sec.136(c). Alaska, in functioning as a statewide region, will report statewide data and meet applicable state performance requirements without providing data for each local area. This will enable the AWIB to monitor progress throughout the state, take appropriate corrective action promptly, and will lead to improved statewide performance.

The waivers are submitted in accordance with 20 CFR 661.420(a)(1) and are expected to result in improved programmatic and performance outcomes. This Unified Plan modification is intended to supplement the waiver plan submitted on February 3, 2003, and contains the information required by sec. 661.420(c). These waiver requests will lead to the outcomes identified in February 3, 2003 waiver plan. They will streamline the administration of services, increase efficiency, and avoid duplication across Alaska's workforce investment system.

# STATE OF ALASKA

**Frank H. Murkowski, Governor**

1016 W. 6th Ave., Suite 105  
Anchorage, Alaska 99501  
PHONE: (907) 269-7485  
FAX: (907) 269-7489

## Department of Labor and Workforce Development

*Alaska Workforce Investment Board  
Division of Business Partnerships*

August 15, 2003

Christine Kulik  
US Department of Labor  
Employment And Training Administration  
200 Constitution Avenue NW  
Washington DC 20210

2003 AUG 21 PM 5:18

Ms. Christine Kulik:

Thank you for your request for additional information regarding the waivers Alaska is requesting as a part of our plan modification. Below is the information you requested organized according to the questions asked.

1. Describe the actions that the state or local area, as appropriate, has undertaken to remove state or local statutory or regulatory barriers.
  - In May 2003, the Alaska legislature passed Senate Bill 192. This bill removed state statute that depended upon local board guidance. The language was then replaced with the Alaska Workforce Investment Board. By taking this action the state was able to align workforce investment programs under a single oversight body.
2. Describe the individuals affected by the waiver.
  - Very few individuals were adversely affected by the decision to establish a single regional area. As a part of the consolidation some individuals lost their jobs due to elimination of duplicate activities. All staff were offered employment with the state and most accepted or were able to transition to other jobs with the Municipality of Anchorage.
  - Local board membership was discontinued, although members from each were appointed to the state board. In addition, Local Advisory Councils will seek to leverage the expertise and knowledge of past board members.
  - Participants of the Workforce Investment Program have been positively affected in several ways.
    - First, the opportunities for older youth are increased as a result of statewide, broad-based grant strategy. Older Youth are low-income youth age 18-21 who are in need of assistance to enter training or gain employment.
    - Second, participants will have more flexibility to move within the state and have continuity of service without exiting, re-entry and encountering new standards, rules and guidelines.
    - Third, individuals eligible for dislocated worker services can expect better service due to a standardized application of the eligibility policy.

- Partners and service providers have been positively affected by the waivers in that they now work with a single administrative entity, using common statewide policies and practices. Grantees were able to consolidate grants and reporting where previously they had duplicate grants in each local area using inconsistent formats for application, reporting and performance management expectations.

3. Describe the processes used to:

- Monitor the progress in implementing the waiver.
  - Several measures were established to measure the progress and success in implementing the waiver. These measures include; reduce time to issue grant awards, reduced cost associated with administering WIA, increased standardization in service delivery and eligibility. Some measures are monitored quarterly and grant programs will be providing monthly reports once training has been completed.
- Provide notice to any local board affected by the waiver.
  - The Anchorage/Mat-Su and the Balance of State Local Workforce Investment Boards were notified in February, 2003, and engaged in providing input. Presentations to the Anchorage/Mat-Su LWIB were provided on multiple occasions. The Commissioner of Labor and Workforce Development met with the executive committee and the full board in an effort to inform the local board of the impact and a facilitated session of the executive committees of the three boards was part of the initial planning activities.
- Provide any local board affected by the waiver an opportunity to comment on the request.
  - The public comment period was open for thirty days. During the period of public comment the Anchorage/Mat-Su local workforce investment board met to review the plan modification and voted in favor of the plan. Their comments were included in the public comment material.
- Ensure meaningful public comment, including comment by business and organized labor, on the waiver.
  - Public comment was received from members of the public as well as leadership of organized labor. The plan was discussed with industry lead groups including the Alaska Process Industry Careers Consortium, the Industry Skills Coalition, and CommonWealth North. Organized labor provided substantial comments on the method of making the changes but did not comment on the decision to re-align the state's workforce investment system.

If you need additional information please contact me at (907)269-3729.

Sincerely,



Katherine Farnham, Executive Director  
Alaska Workforce Investment Board  
Division of Business Partnerships

Cc: Armando Quiroz, Regional Administrator US Department of Labor Employment and Training Administration Region VI  
Greg O'Claray, Commissionier, Alaska Department of Labor and Workforce Development  
Alice Galvin, PhD, Chair, Alaska Workforce Investment Board